THE CASE OF A SUCCESSFUL GOVERNMENT OWNED ENTERPRISE

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Abstract

This article, in particular examines the success factors as public entities in Fiji journey into organisational changes. Fiji is a coup ridden yet one of the most developed of Pacific Island economies. This study employed qualitative research methods to collect data. To achieve the specific objectives, an analytical study of an institutional case study was used. Reliance has been placed on both the primary and secondary sources. Based on data obtained through in-depth interviews and various related documentary evidence, this paper investigates how the organisational change exercises fare in successful Government Commercial Companies in Fiji. This theme is empirically based, exemplified by a successful GCC, namely Unit Trust of Fiji (Management) Limited. The usefulness of this study draws from the gaps that exist in prior research, whereby past research on public enterprise reforms have not been too many in developing island states. This article has two goals. A complete account of the GCC is discussed, as the first aim. The second aim unveils the success factors in the said public enterprise. There are success factors of the said public enterprise. At the same time, the paper also unveils the not so smooth journey at times or rather a bumpy ride to success due to mistakes made and hurdles faced. But in the face of difficulties, the entity has shown competitiveness and a positive attitude. The paper suggests that Fiji needs to realise the importance of similar success factors if it wishes for successful organisational changes in all public entities.

Keywords: Fiji, Unit Trust, public enterprise, organisational change.

Introduction

There is little to no argument that public enterprise reforms have taken the world by storm. No doubts here. Fiji, a developing small island economy, likewise, is no exception. This infamous coup-ridden island nation located at the heart of the Pacific Ocean is one of the most developed of the small island nations. Fiji has a multi-racial population mix with major cultural groups of indigenous Fijians and Indo-Fijians[1]. It is endowed with forest, mineral and fish resources with a

large subsistence sector. The major sources of foreign exchange are sugar exports, remittances from Fijians working abroad and growing tourism.

While the most recent military coup has dimmed the business climate attractiveness, the economy remains under the military rule of the self-appointed prime-minister, Commodore Josaia Voreqe (Frank) Bainimarama since the December 2006 bloodless coup. Fiji does suffer from coup syndrome with earlier coups staged in 1987 and 2000.

In Fiji, public enterprise reforms became the central pillar of state policy after the 1987 military coups. Fiji ranked one of the largest and most developed of the Pacific Islands until the mid-1980s. The process of reforms commenced mid-1980s but was delayed due to the uncertainty created in the economy following the two military coups in 1987. Fiji was in a steady economic position with import substitution policies and a small but growing manufacturing sector. It pursued the import substitution policy since its independence in 1970.

Come 1987, Fiji saw economic recession and Structural Adjustment Policies (SAPs) such as deregulation of the labour market (1989-removal of wage indexation), promotion of export-oriented policies (1989-Tax Free Factory Scheme) and public sector reforms (1990s). The beginnings of the policy shift from the import substitution strategy towards an export-oriented economy was clearly visible in 1984. To this end, the earliest major change emerging from the SAPs was the 1984 unilateral wage freeze imposed on the entire Fijian economy in an attempt to make the export-oriented industries more competitive. Subsequently, Fiji went through different phases of privatisation, post 1987.

This paper describes and discusses a star Government Commercial Company (GCC), namely Unit Trust of Fiji (Management) Limited. A GCC is a wholly government owned enterprise in Fiji. It is generally financed through government equity and/or debt. It is required to achieve a minimum of 10 per cent return on investment as well as pay dividend of 50 per cent of net profit after-tax. A GCC is also required to submit statements of corporate intent, corporate plans, quarterly and annual reports, employment and human resource plans, and audited accounts.
There are ten GCCs in Fiji. These are Airports Fiji Limited, Fiji Broadcasting Commission Limited, Fiji Hardwood Corporation Limited, Fiji Ports Corporation Limited, Food Processors (Fiji) Limited, Post Fiji Limited, Rewa Rice Limited, Unit Trust of Fiji (Management) Limited, Viti Corps Corporation Limited and Yagara Pastoral Company Limited. The rationale behind the selection of this GCC of Unit Trust of Fiji (Management) Limited is that it is one the GCCs that has undergone overtime changes which has led to positive effects. Put differently, this is one of the successful/profitable GCCs.

In particular the paper examines the success factors as public entities in Fiji journey into organisational changes. In so doing, the paper discloses the inherent factors as well as other factors conducive to overtime change exercises.

The usefulness of this study draws from the gaps that exist in prior research, whereby past research on public enterprise reforms/overtime changes have not been too many in developing island states. This article has two goals. A complete account of the GCC is discussed, as the first aim. The second aim unveils the success factors in the said public enterprise.

Methodology

This study employed qualitative research methods to collect data. To achieve the specific objectives, an analytical study of an institutional case study was used.
Inductive strategy was followed which commenced with data collection, went onto data analysis and finally helped in the formation of generalisations. Reliance has been placed on both the primary and secondary sources. Published as well as the unpublished sources were referred to. The paper is based on a close review of archival data and in-depth semi structured face-to-face interviews with relevant employees, and key senior officials from the Ministry of Public Enterprises. In this respect, various visits were made to the subject organisation, University of the South Pacific library and the relevant ministry for interviews, and primary and secondary document collection.

The investigation began with publicly available sources which were anlaysed before the face-to-face interview sessions. The second process was the actual interview process. The interviewees were selected on the basis of those who could provide much detail on the subject entity. The names of interviewees and politicians are kept undisclosed in this paper for ethical reasons to ensure anonymity and for employment security of interviewees. This non-disclosure of names encouraged the interviewees to give out substantial information without having to fear of being questioned later on their responses.

The intended interview format was outlined before the interview sessions and the respondents were informed that names will not be disclosed. This was done to encourage factual and 'freer' outflow of responses. After the interviews, information disclosed by interviewees was rephrased in a summarised manner. This was done to correct inaccuracies and to ensure that the receiving, understanding and interpretation of information were the same as expressed by the interviewees.
It is acknowledged that certain information would have been withheld during the interviews due to job security reasons and because of confidential matters. Thus, information was thoroughly cross-referenced between interviewee responses and various reports, papers and articles for data authenticity.

For documentary evidence, the company annual reports, corporate plans, ministry reports and magazines were used. Additionally cabinet decisions, ministerial speeches, legislation and parliamentary reports were sought. The secondary sources such as newspapers and the internet were used but with caution for lead-on questions to unearth further details during interviews. These helped capture issues contemporaneously.

The paper used Gillham's (2001) analytical framework for recording, verification and analysis of data whereby substantive relevant information were highlighted while irrelevant materials were ignored. After going through all collected data, the data set was revisited to highlight substantive statements that might have been missed out in the first reading. The research is a qualitative study and data analysis is based on content analysis. The collected data was analysed on the basis of findings from the case study which helped document, explain, understand and analyse the events as it unfolded in the subject public entities.

The next section discusses Unit Trust of Fiji (Management) Limited.

Background

"An investment vehicle for the man in the street" - this was the idea floated by the Fijian Affairs Board (FAB) and the Native Land Trust Board (NLTB). The idea gave birth to the largest Unit Trust company in Fiji.
Singh (2003: 10) describes a unit trust as follows:

A unit trust fund in general is an investment mechanism, which pools money from many investors into a portfolio of investments inclusive of assets such as cash, bonds and deposits, shares, properties and commodities. An important feature of most unit trusts is risk reduction through diversified investments handled by a full-time professional management staff with expertise in a wide range of investment portfolios.

Unit Trust of Fiji (UTOF) is basically an investment company. Established in 1976 and launched on 25 April 1978 under the Unit Trusts Act of Fiji (1978), UTOF has a Management company and a Trustee company.

Unit Trusts Act (1978) sets out the specific guidelines under which a unit trust is required to operate (UTOF, 2001). The provision in the Unit Trusts Act (1978) allows for one company to manage the unit trust and a separate autonomous trustee company to hold title to all the investments of the unit trust. The UTOF (Management) Limited is "the Manager" of the Trust.

The Management Company

The Management Company is a wholly government owned company, a GCC. It is responsible for selecting investments. Like any other GCC, the Management company operates under the Ministry of Public Enterprise, Tourism and Communication (MPETC) and Ministry of Finance. MPETC monitors the performance of this company. Accordingly, UTOF is required to inform and update the MPETC on acceptability of planning documents and annual reports, actual performance against Statement of Corporate Intent and Corporate Plan, and formulation of policies to enhance performance and promotion of good governance.

The Trustee Company

The UTOF (Trustee Company) Limited is "the Trustee". It was registered inline with Section 6 of the Unit Trust Act and is 51 per cent owned by directors and 49 per cent owned by the Fiji government. This company exists to ensure that the Management company acts in the best interest of unit holders. To this end, the 'Trustee' company protects the rights and interest of the unit holders in line with the trust deed, prospectus and the law. It receives all investments, holds all assets on behalf of the unit holders and distributes dividends via the Management company. It ensures that proper accounts are kept and that unit holders are sent a copy of annual accounts and the auditors report each year. It supervises the buy-back of units as well as appoints auditors.

Overall, UTOF must always operate according to the Trust Deed. Signed on 25 April 1978, a Trust Deed is a written agreement (UTOF, 2001) which sets out the relationship between the Management company and the Trustee. The operation of UTOF, Management and the Trustee companies are governed by the Unit Trusts Act and the Deed (UTOF, 2000).

Further, UTOF is required to abide by various provisions of the Capital Markets Authority of Fiji (CMDA) Act, Public Enterprises (PE) Act as well as the Companies Act (UTOF, 2001).

UTOF is licensed, regulated and supervised by CMDA. CMDA is the regulatory authority. Its role requires it to carry out on-site examinations which involve reviewing of risks of businesses UTOF engages in, and assessing how UTOF identifies, manages and monitors such risks.

Provided that the distributable income gets declared for distribution to unit holders, UTOF is not subject to income tax (UTOF, 2008a). Since the inception of UTOF, dividends earned by investors were also non-taxable but this has changed recently. Under the 2008 budget, government has made changes to dividends exceeding $200. Depending on the income threshold of the investor, dividends exceeding $200 will now be taxable (UTOF, 2008b).

UTOF's aim is to give Fiji's small investors (ordinary citizens including individuals, 'Mataqalis' (clans), social groups such as Parents and Teachers Associations, clubs, church organisations, provincial councils, and companies and institutions in both private and public sectors) (UTOF, 2004) a chance to own shares and other investments, irrespective of race (UTOF, 2008b).

UTOF spreads their risks leaving the management of the investments in the hands of qualified and licensed (licensed by CMDA) experts (UTOF, 2008b). It is able to spread risks, ensure stability and sustainable growth through diversification (UTOF, 2004). To this end, the investors' funds are invested in not one type of investment but across a number of different investments such as cash, shares, bonds and property. UTOF has invested across sectors of industrial, real estate, media, tourism, finance, insurance and health care (UTOF, 2000). 'Unit holders therefore indirectly buy into a wide range of assets which might not have been possible or available to them as individuals' (The Review 2000: 28). Through diversification, UTOF is able to manage and reduce risks. The former GM explained this as, 'if something were to go wrong, all your eggs are not in one basket'.

The Purchase of Units

The public purchases units from the Management company. Units can be purchased via mail or in person. A simple one pager form has to be filled. Units can be purchased from UTOF's Suva or Lautoka offices, or at any Fiji Development Bank (FDB) or Post Office branch (UTOF, 2008b).

In addition, there are CMDA licensed agents such as Kontiki Stock Brokers, Fiji Stockbrokers and Mr Rick Croker of Fortune Consultants who can provide financial advice and sell units in exchange for a 1 per cent commission payable by the UTOF Management company. Commission is based on the value of units sold by the agents. With a style of 'open ended trust', UTOF exerts no upper limit to the number of units invested but the initial investment is 'tailor-

made for small investors' (The Review 2000b). It thus requires the purchase of a generally affordable 100 units, given that it is meant to serve small investors (UTOF, 2001).

The money of many investors is pooled together and is invested by a team of expert investment managers on the investors behalf. The pool includes investments already owned by UTOF, income received on their investments and cash that have not been invested. UTOF invests in the shares of profitable companies, bonds and other securities to provide returns to unit holders.

Unit holders do not only earn returns on their investments through cash dividends, they also benefit from capital growth (the value of units purchased may increase overtime) of UTOF's investment portfolio, as this increases in value. Capital growth can be realised when unit holders sell back their units to the Trust.

Unit holders can sell back their units but at the purchase price (repurchase price) calculated for that period without having to pay any exit fee. The process of selling back units to UTOF by the unit holders is known as redeeming. With regular dividend payments (twice yearly on 15 June and 15 December) and an easy method of selling units back to the UTOF, UTOF continues to ensure that it remains an attractive investment option for investors (UTOF, 2008b).

The Board, Executive Management and Human Resources

The current directors are people with integrity. They have years of experience in the public as well as in the private sector with proven track record in business and related activities. There are four directors including a chairman in the Management company at present (UTOF, 2008b). The role of the board is to look into policy issues and set directives at strategy levels. Currently the board is looking into policy procedures. The existing policies and procedures have been dubbed outdated.

Operations of the company is left to the Management. The former GM who was also the Company Secretary of UTOF (Management) company, managed UTOF from 2000 to 2008. With a doctorate degree, he was a qualified insurance professional with sound local and international management experience. Currently, the Management company is headed by the former Manager Finance. He is acting in the position of the GM/Company Secretary subsequent to the retirement of the former GM. The Acting GM is assisted by a management team (of the Trust Accountant, Investment Analyst, Sales and Marketing Executive, Registry Supervisor and Manager HR) that has first hand product knowledge.

UTOF has always had a lean and efficient structure staffed by a small number of nine staff members since 1999 until 2002 (UTOF, 2004). Staff numbers have changed little overtime. New positions were created in accordance to organisational changes. By 2008, staff size increased to fifteen. The increase in the number of staff was needed due to a new branch in another location (Lautoka) and a separate customer service office[2] at the ground floor in Boulevard, Suva[3],

[2] The receptionist sits in the office upstairs in the same building. She greets and receives customers but transfers customers to the customer service section downstairs at the ground floor of the same building (Interview with Registry Supervisor, 2009).

[3] Interview with Registry Supervisor (2009)

expansion in investment, and the adherence required on a number of changing regulations and the related Acts[4]. Staff members are required to pay much attention to customer relationship and the achievement of investment objectives (UTOF, 2004).

With the belief that staff make an entity strong, UTOF invests a lot towards staff training, development and research constantly to better skills and knowledge in key areas of Customer Service, Finance and Investment, Corporate Governance and Information Technology (UTOF, 2008b). All staff and managers are encouraged to pursue further studies and whenever possible, attend workshops, seminars and conferences. If possible, UTOF also allows trainers or academics from institutions such as University of the South Pacific (USP) and Training & Productivity Authority of Fiji (TPAF) to train their staff exclusively in their fields[5].

UTOF also supports its staff members in pursuing further education and has gone further into establishing strategic relationship with overseas investment institutions. Such institutions provide the required training and advice on investments, marketing and other relevant fund management areas.

UTOF also takes advantage of courses and training offered by other institutions such as CMDA, Securities Institute of Australia (SIA), Fiji Institute of Technology and TPAF (UTOF, 2004).
Performance Management System (PMS) was introduced in 2007. Staff do not show resistance but apparently have reservations on certain changes. Thus, all employees were invited to attend a presentation by a consultant who explained about PMS and the changes it would bring to the organisation. Employees were also given a chance to ask questions to clarify their doubts.

UTOF believes in keeping all staff updated on all changes. This is done through weekly staff meetings[6]. Two way communication and open discussions are encouraged in all meetings. The environment is such that staff do not fear airing out what they feel and there is an agreement that whatever is discussed at meetings is left at the meeting room after discussion, disallowing any afterward tête-à-tête on what transpires during the meetings.

Projects

Faced with continuous hard-hitting and vague market conditions, UTOF analyses and monitors its investments and the market in an ongoing manner. This is done to circumvent potential losses and to capitalise on investment opportunities. All investments carry varying degree of risks and are affected by various factors which in turn impact on their performance (UTOF, 2008b). For instance, generally equities bring with it higher risks when compared to bonds but higher risks also mean higher possible returns (UTOF, 2003). Nonetheless, the Management company has in place, risk management policies which help it to identify and analyse the risks faced, to set appropriate risk limits and controls, and to monitor risks and adherence to limits (UTOF, 2008a).
The guidelines and policies set by the UTOF's Board Audit, Finance and Investment Sub-Committee, Board of Directors, the Trust Deed, Unit Trusts Act (1978) and those set by the

[4] Interview with Acting GM (2009)
[5] Interview with Manager HR (2009)
[6] Interview with Acting GM (2009)

applicable regulatory authorities are taken into account when making investment related decisions to ensure proper management of investment portfolio. Service standards and policies are also continuously reviewed for continuous improvements.

The investment portfolio is assessed every fortnight and the unlisted securities are valued at least once in a financial year. UTOF states that a comprehensive research is carried out on companies it desires to invest into to assess the quality of such an investment. To this end, assessments are done on the quality of the companies' management teams, the local and global competitive positions of the companies, the companies financial strength and its potential for earnings growth over the years as well as on general industry trends. UTOF also seeks advice from experienced business managers, industry experts, competitors, regulators, economists, academics and government officials.

In order to offer the unit holders a reliable and sustainable regular returns similar or higher than other investment markets, UTOF diversifies its portfolio within numerous local and international industry sectors, securities and value entities (UTOF, 2008a). In the same quest, it obtained land containing substantial spring water flows. The plan is to bottle same for export overseas, including USA through a joint venture. To this end in early 2006, the spring water has been tested in its natural form and has passed the USA requirements. The 2008 Annual Report informs that locating a joint venture partner in the current economic condition seems doubtful in the near future (UTOF, 2008a). This project is on hold.

The Fiasco of the Momi Bay Development Project

Together with the FDB and the Fiji National Provident Fund (FNPF), UTOF invested in the more than $100 million Momi Bay Development Project. The project turned sour when the local investors realised they were duped by the developer, Matapo Limited. It is claimed that a lot of details, even a feasibility study were missing in the paperwork of this deal.

Mcnabb (2009) of 'The Independent', an Australian consultant who did a credit report for FDB, discloses that these government entities disregarded many warnings about the risky investment, costing millions of taxpayers' money in a Bridgecorp-related company in the desire to develop the biggest resort at Momi Bay, near Nadi in Fiji. The subject resort was Bridgecorp's lone largest investment with about $100 million of investors' money involved. The investors were initially led to believe that $50 million of funding was involved. In reality, the Fiji government entities lent F$100 million plus, while the resort sits idle with half-built buildings.

But UTOF was a cagey investor. It refused to loan money to Matapo for stage one of the development. However, alas the wariness did not stay put and it ended up loaning F$12 million for the second stage, via Muanairewa Resorts Limited which is a subsidiary of Bridecorp Limited. The resultant being UTOF's repeated questions to its directors seeking guarantees. At the end of this mess, UTOF now also faces a F$12 million debt, topped up by interest costs. Later UTOF held talks with FNPF to take over its F$13.5 million (NZ$10.14 million) interest in the Momi Bay Development project. The loan given by it for the second stage is secured by first registered mortgage over freehold land adjacent to and forming part of the Momi bay integrated resort development. A third party (name not disclosed in the UTOF 2008 Annual Report) agreed

to take over this loan including interest with a subsequent condition for the removal of caveats lodged over the properties. Legal advise to UTOF is that the condition should not be an obstacle to the proposed assignment, but ultimate resolution of this condition remains. UTOF believes that the condition will be determined satisfactorily with ongoing discussions (UTOF, 2008a).

Overall, the failed company Bridgecorp sunk $106.6 million into the Momi development. The five former directors of Bridgecorp face criminal charges as well as civil proceedings.

Overtime Changes and Performance

Unlike other GCCs, reforms at UTOF has not really come in defined stages or steps, instead it has come in as many overtime changes for the better. These changes are documented in this section. The positive changes are in the areas of staff training, new investments, increased investments, marketing, nationwide accessibility and computerisation. These factors have led to its growing popularity given its high and consistent returns to unit holders, and overtime increases in the number of unit holders, total funds and unit prices. In spite of difficult periods of falling interest rates, limited investment opportunities in Fiji, unstable economy and political situations and the related aftermath, UTOF maintained good returns to unit holders. It stands as one of Fiji's leading long-term investment institutions in Fiji with its overtime profitable achievement record marking it a cornerstone of growth in Fiji's capital markets.

UTOF paid out $1.7 million in dividends to customers in 1995. This was an increase of $164,957 from 1994, an increase by 16.4 per cent (The Review, 1996: 33). The number of unit holders increased in 1996 by 15.4 per cent to 975 from 1995. The size of funds increased by 46.6 per cent, its highest since 1987 (The Review, 1997). The annual report recorded a total income of $1,096,908 (increase by 15.6 per cent from 948,831) with an investment income of $1,054,005. With a dividend rate of 16 cents per unit, total dividend declared was $1,572,517, up by 34.3 per cent over the previous year (UTOF, 1996).

By the end of the financial year 1997, the number of unit holders increased by 19.9 per cent and reached 1,169 in number. With dividend rate of 16 cents, a total dividend of $2,009,656 was paid, higher by 46.6 per cent over the past year (UTOF, 1997).

By 1999, in comparison with the book value of around $14.5 million, the market value of the investments of UTOF stood at an estimate of almost $23 million. UTOF also paid a dividend of $375,000 to Fiji government this year. At that point in time, this dividend payout to government brought the total return to government to $2 million against its $500,000 initial investment in UTOF. Number of unit holders increased from 1354 of 1998 to 1391 in 1999, dividend rate was 13 cents per unit which saw unit holders receiving $1,739,724. UTOF's portfolio increased to 22.7 million from $20.4 million of 1999, an increase by 11.4 per cent (The Review, 2000: 22). Aside a brief spell of poor growth due to political uncertainty in year 2000, UTOF remained popular and towards the year end, did see growth.

In 2000, the number of unit holders stood at 1,583 with $32.3 million in total funds and a dividend rate of 12 cents per unit. The number of unit holders saw a growth of 13.8 per cent from year 1999 while the size of total funds was 16 per cent higher than the $28.2 million of 1999.

Despite the 'not so good after effec't of the May 2000 political events, this year saw over 3,000 unit holders, $40.8 million total funds, total dividend of 5 cents per unit, dividend yield of 4.6 per cent and total declared return of 9.3 per cent of which 4.7 per cent was capital growth.

In 2001, the number of unit holders saw a growth of 52.9 per cent from year 2000 while the size of total funds was 26.1 per cent higher than the 2000, $32.3 million. In 2002, equity reached $44 million (The Review, 2004). The number of unit holders stood at 4,000 with $51 million in total funds. The total dividend was 5.7 cents per unit and the total declared return was 9.8 per cent of which 4.6 per cent was capital growth (UTOF, 2002). The number of unit holders saw a growth of 40 per cent from year 2001 while the size of total funds was 25 per cent higher than 2001.

By end of the financial year 2003, the number of unit holders surpassed 6,200 with over $62 million in total funds. Total dividend was 5.7 cents per unit and the total declared return was 9.2 per cent of which 4.1 per cent was capital growth. The number of unit holders saw a growth of 55 per cent from year 2002. The size of total funds was 21.6 per cent higher than 2002 resulting particularly from earnings, positive acquisitions, developments as well as past performance. The total dividend distribution was 17.4 per cent higher than 2002, the total amount being $2.9 million.

By end of the financial year 2004, the number of unit holders surpassed 7,500 with over $72 million in total funds. Total dividend was 5.8 cents per unit, dividend yield was 5 per cent and the total declared return was 12.3 per cent of which 7.3 per cent was capital growth. The total dividend distribution was 20.3 per cent higher than 2003, the total amount being $3.4 million (UTOF, 2004: 7). The growth in the total number of unit holders by 22.5 per cent to 7,597 was largely attributed to the strengthened Sales and Marketing department (UTOF, 2004: 8).

UTOF reported a NPBT of $217,196 in 2006 and $282,040 in 2007 (The Fiji Times, 2007). Evidence has it that by 30 September 2007, the total funds under management of UTOF grew from an initial diminutive sum of 500,000 from the government[7] to F$90.9 million.

Overtime, UTOF liquidated and paid up this financial involvement of government, reducing government's investment to a mere $50,000[8]. In terms of number of investors, there were over 11,681 unit holders by the same period (UTOF, 2008b).

Despite the challenges of economic downturn and global crisis, UTOF managed to provide investors with a total return of 2.5 per cent and an annual dividend yield of 2.8 per cent in 2008 with 2.4 cents interim dividend and 1.4 cents final dividends, totaling 3.7 cents per unit (UTOF, 2008a). The annual revenue from investments, the resulting dividends and the value of investment portfolio dampened when compared to 2007 though. Nonetheless, UTOF gained 505 new unit holders bringing the total number of unit holders to 12,186.

The Acting GM proudly informs that the dividend payments to Fiji government has always been above the government's benchmark of 10 per cent. He updates on the current status of UTOF as follows. UTOF has near completion projects, a strengthened portfolio and improved returns[9].

[7] Interview with Acting GM (2009)
[8] Interview with Acting GM (2009)
[9] Interview with Acting GM (2009)

The Trust Accountant discloses that due to the poor economic condition, while UTOF continues to pay dividends, profitability has actually seen a decrease[10]. The current stance of UTOF is - it is more active in monitoring its investments. To this end, it has a schedule to dispose off the not so good investments since it does not want to waste time in non-performing investments.

Moreover, the Acting GM highlights that UTOF is a self-reliant GCC. It has not been and is not dependent on the government for grants or assistance. It only relies on its fees and charges to run the company for project evaluations. UTOF is also not profit motivated since it principally exists to serve small time investors. In line with government's aim for all GCCs which is normally to maximise returns, UTOF is well placed given that, at a government investment of $50,000[11], it gives best ever returns of around $70,000 to $80,000[12].

The Registry Supervisor informs that UTOF never had a Marketing Manager until the year 2001[13]. She explains that the recruitment of the Marketing Manager was good news because resultantly, the customer base as well as the bottom line of UTOF increased. The Sales and Marketing Executive unveils the key problem - lack of investor education/awareness[14]. He comments that public view needs to change. He advices that from early this year, attempts have been made and will be made to raise awareness through various means such as TV commercials, posters, radio programs, UTOF website and public relations exercise depending on the marketing budget. Posters have already been circulated. He informs that there are definite plans and these are part of the strategic plan but such plans were not disclosed at the time of the interview, dubbed as confidential at that point in time.

Conclusion

This paper described a star performer, namely Unit Trust of Fiji (Management) Limited, in great detail. The paper is very descriptive in nature. But full details are warranted to better understand the context in which overtime changes were implemented. Incomplete or insufficient details can often lead to amiss understanding of the case study, resulting in misanalysis and not so meaningful recommendations.

The paper discussed the journey this GCC took since yesteryears. In doing so, it disclosed the inherent factors as well as the other factors that were conducive to change exercises.
All in all, there are success factors of the said public enterprise. For instance, the case study reflects at a go getter, pro-active and customer oriented approach taken by the management who not only learn from their past mistakes but rectify problems; seek outside professional assistance; become self-reliant and source funds on their own; conduct feasibility studies; diversify and/or expand operations; have effective board members and qualified employees; continually train and encourage employees towards up-skilling and higher education; view marketing as an important

[10] Interview with Trust Accountant (2009)
[11] Interview with Acting GM (2009), Interview with Trust Accountant (2009), and Interview with Investment Analyst (2009)
[12] Interview with Acting GM (2009)
[13] Interview with Registry Supervisor (2009)
[14] Interview with Sales & Marketing Executive (2009)

element; and invest into relevant advanced technology. Such characteristics not only lead to overall improvements in the company performance but also helps sustain profitability. As described, the said entity is a profitable entity and pays dividends to government annually.
At the same time the paper also unveiled the not so smooth journey at times or rather a bumpy ride to success due to mistakes made and hurdles faced. But in the face of difficulties, the entity has shown competitiveness and a positive attitude. The paper suggests that Fiji needs to realise the importance of similar success factors if it wishes for successful reforms in all public entities.

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